

HARDY MYERS #64077  
Attorney General  
CAROLYN G. WADE #83212  
Senior Assistant Attorney General  
Department of Justice  
1162 Court Street NE  
Salem, OR 97301-4096  
Telephone: (503) 947-4400  
Facsimile: (503) 373-7067  
E-mail: [carolyn.g.wade@doj.state.or.us](mailto:carolyn.g.wade@doj.state.or.us)

Attorneys for State of Oregon

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re

Keith Fredrick Thorson and Marcie Lynn  
Thorson, fka Marcie Lynn Malain,

Debtor(s).

STATE OF OREGON, Department of Human  
Services,

Plaintiff,

v.

Keith Fredrick Thorson and Marcie Lynn  
Thorson, fka Marcie Lynn Malain,

Defendant(s).

Chapter No. 7

Case No. 08-30471-rld7

Adversary Proceeding  
No. 08-03074-rld

COMPLAINT FOR DETERMINATION  
OF DISCHARGEABILITY

Plaintiff alleges:

1

This is an adversary proceeding to determine the dischargeability of a debt pursuant to 11  
U.S.C. § 523 (a) (2). Jurisdiction is based upon 28 U.S.C. §§ 157 and 1334. This is a core  
proceeding as defined in 28 U.S.C. § 157 (b) (2) (I).

///

///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

2  
  
  
  
3  
  
  
4  
  
  
5  
  
  
6  
  
  
7  
  
  
8  
  
  
9  
  
  
10  
  
  
11  
  
  
12  
  
  
13  
  
  
14  
  
  
15  
  
  
16  
  
  
17  
  
  
18  
  
  
19  
  
  
20  
  
  
21  
  
  
22  
  
  
23  
  
  
24  
  
  
25  
  
  
26

Plaintiff is the Oregon State agency charged with administering public assistance and food stamp benefit programs. Under ORS 411.620 (1), plaintiff is entitled to recover benefit overpayments, plus interest and costs and disbursements.

Pursuant to ORS 82.010, plaintiff is entitled to interest on any overpayment from the due date at the rate of 9 percent per annum.

FIRST CLAIM FOR RELIEF

During the period from May 24, 2006 through September 30, 2006, defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain, at their special insistence and request, received public assistance benefits from the plaintiff in the form of medical assistance.

Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain represented to plaintiff that they had insufficient income with which to meet the needs of their family.

During the period described in paragraph 4, defendant Keith Fredrick Thorson was working and had income from Northwest Copper and The Lynch Co., Inc.

During the period described in paragraph 4, defendants had a duty to report to plaintiff the employment status and income of all household members.

During the time period described in paragraph 4, defendants failed to report Keith  
///

1 Fredrick Thorson's employment and income from Northwest Copper and The Lynch Co., Inc. to  
2 plaintiff.

3 9

4 The failure of defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie  
5 Lynn Malain to report Keith Fredrick Thorson's employment and earnings to plaintiff were  
6 continuing material false representations that resulted in defendants receiving public assistance  
7 benefits that they would not have been eligible to receive had Keith Fredrick Thorson's  
8 employment and earnings been reported to plaintiff.

9 10

10 Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain  
11 made the continuing material false representations referred to in paragraphs 8 and 9 of this  
12 complaint with the intention of deceiving plaintiff so that plaintiff would provide them with  
13 public assistance benefits that they were not entitled to receive.

14 11

15 Plaintiff acted in reliance upon the material false representations of the defendants and  
16 provided them with public assistance benefits during the period described in paragraph 4 in the  
17 amount of \$4,279.27 that they were not entitled to receive. Of this amount, none has been  
18 recovered.

19 12

20 Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain  
21 owe the sum of \$4,279.27, plus interest at 9 percent per annum from May 24, 2006. This debt is  
22 not dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(2).

23 SECOND CLAIM FOR RELIEF

24 13

25 During the period from May 24, 2006 through October 31, 2006, defendants, Keith

26 ///

Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain, received food stamp benefits from plaintiff.

14

Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain represented to plaintiff that they had insufficient income with which to meet the needs of their family.

15

During the period described in paragraph 13, defendant Keith Fredrick Thorson was working and had income from Northwest Copper and The Lynch Co., Inc.

16

During the period described in paragraph 13, defendants had a duty to report to plaintiff the employment status and income of all household members.

17

During the time period described in paragraph 13, defendants failed to report Keith Fredrick Thorson's employment and income from Northwest Copper and The Lynch Co., Inc. to plaintiff.

18

The failure of defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain to report Keith Fredrick Thorson's employment and earnings to plaintiff were continuing material false representations that resulted in defendants receiving food stamp benefits that they would not have been eligible to receive had Keith Fredrick Thorson's employment and earnings been reported to plaintiff.

19

Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain made the continuing material false representations referred to in paragraphs 17 and 18 of this

///

1 complaint with the intention of deceiving plaintiff so that plaintiff would provide them with food  
2 stamp benefits that they were not entitled to receive.

3 20

4 Plaintiff acted in reliance upon the material false representations of the defendants and  
5 provided them with food stamp benefits during the period described in paragraph 13 in the  
6 amount of \$2,671.72 that they were not entitled to receive. Of this amount, none has been  
7 recovered.

8 21

9 Defendants Keith Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain  
10 owe the sum of \$2,671.72, plus interest at 9 percent per annum from May 24, 2006. This debt is  
11 not dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(2).

12 WHEREFORE, plaintiff prays for an order and judgment of the above-entitled court as  
13 follows:

14 (1) That the claims of the Department of Human Services against defendants Keith  
15 Fredrick Thorson and Marcie Lynn Thorson, fka Marcie Lynn Malain are not dischargeable in  
16 bankruptcy pursuant to 11 U.S.C. § 523(a)(2).

17 (2) That plaintiff is entitled, in addition to any other remedies that may be available to  
18 it, to issue administrative decisions and to issue and record any distraint warrants as necessary to  
19 liquidate its claims against the defendants.

20 (3) For judgment in favor of plaintiff and against the defendants for plaintiff's costs  
21 and disbursements incurred herein in the amount of \$250.00, together with interest at the federal  
22 statutory rate on said cost judgment.

23 ///

24 ///

25 ///

26 ///

1 (4) For such other relief as the Court deems just and proper.

2 HARDY MYERS  
3 Attorney General

4  
5 /s/ Carolyn G. Wade  
6 Carolyn G. Wade #83212  
7 Senior Assistant Attorney General  
8 Department of Justice  
9 Of Attorneys for Plaintiff  
10 1162 Court Street NE  
11 Salem, OR 97301-4096  
12 Telephone: (503) 947-4400  
13 Facsimile: (503) 373-7067  
14 E-mail: [carolyn.g.wade@doj.state.or.us](mailto:carolyn.g.wade@doj.state.or.us)  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26